

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.



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November 5, 1937.

TO MEMBERS OF AGRICULTURAL CONSERVATION COMMITTEES—
NORTHEAST REGION:

Dear Committeeman:

On October 20, the President sent letters to Honorable Ellison D. Smith, Chairman of the Senate Committee on Agriculture, and to Honorable Marvin Jones, Chairman of the House Committee on Agriculture. These letters, which were identical, expressed the President's views on further development of the Nation's farm program. The text of the President's letter is given below for your information:

My dear Mr. Chairman:—

You will recall that on July twelfth I wrote you concerning the need for further legislation to stabilize agriculture and give it added protection against disaster. My letter pointed out not only the need for this legislation, but the importance of placing it on the statute books at an early date so as to give farmers the benefit of it in the 1938 season.

Since that time, as you are well aware, exceptionally favorable growing weather over most of the country and falling prices for some commodities have brought the surplus problem once more into sharp focus. The pressing nature of this problem was recognized during the closing days of the last session by both houses of Congress in Senate Joint Resolution 207, pledging prompt action at the next session of Congress to meet the problem.

So as to permit early fulfillment of this pledge, I have issued a call for an extra session of Congress to convene November fifteenth. I know that your Committee and the House Agriculture Committee have both been making extensive inquiries into the farm situation and will therefore be in a position to move ahead expeditiously with the task of shaping the new bill.

The new national farm act should safeguard farmers' income as well as their soil fertility. It should provide for storage of reserve food supplies in an ever normal granary, so that if severe and widespread drought recurs consumers will be assured of more adequate supplies with less drastic increases in price than would otherwise be the case. It should provide for control of surpluses when and as necessary, but at the same time it should preserve the export markets that still are open to our farmers. It should protect both farmers and consumers against extreme ups and downs in prices of farm products. It should be financed by sound fiscal methods. Local administration should be kept in the farmers' hands.

I wish to emphasize especially that any price stabilizing features, through loans or other devices, should be reinforced by effective provision against the piling up of unmanageable supplies. We must never again invite the collapse of farm prices, the stoppage of farm buying and the demoralization of business that followed the Federal Farm Board's attempts to maintain farm prices without control of farm surpluses.

The present agricultural conservation program, though it is not entirely adequate to keep farm surpluses from wrecking farm prices and farm income, has great intrinsic value as a safeguard of soil fertility. Its great value must be made lasting. Therefore, it is my sincere hope that the Congress, when it enacts new legislation to protect agriculture and the nation against the calamity of farm price collapse, will assure the continuity and permanence of the agricultural conservation program now being carried forward by nearly four million farmers.

It is, of course, especially important that any new legislation should not unbalance the expected balancing of the budget. In other words, no additional Federal expenditures from the general fund of the Treasury should be made over and above existing planned expenditures. The only exception to this would be the incurring of additional obligations on the part of the Treasury, backed one hundred per cent by additional receipts from new taxes.

In other words, whatever goes out must be balanced by an equivalent amount coming in.

To my mind the purposes of the proposed new legislation and the existing conservation program are wholly consistent with each other and can be related together to the benefit of agriculture and the nation.

At the request of both your Committee and the House Agriculture Committee, Secretary Wallace and his aides in the Department of Agriculture who have had experience in administering farm programs in the past have been making studies which I know will be of great assistance to you in shaping the new law. With their help, and the added counsel of practical farmers throughout the nation, I am confident that your committees and your fellow members can draft permanent legislation that will serve the nation for many years to come.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The above letter is being sent you in the belief that you, as an active participant in the planning and administration of current agricultural programs, will be interested in studying the President's statement.

Very truly yours,

A. W. Manchester

Director, Northeast Division.